

—SEPTEMBER 13, 2016 INFORMATION ITEM—  
BOARD CONSIDERATION AS ACTION ITEM ON SEPTEMBER 27, 2016

**RESOLUTION NO. 599**

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TWIN RIVERS UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF TWIN RIVERS UNIFIED SCHOOL DISTRICT (COUNTY OF SACRAMENTO AND COUNTY OF PLACER, CALIFORNIA) GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2016, IN ONE OR MORE SERIES, WHICH ARE PROPOSED TO BE ISSUED AS CURRENT INTEREST BONDS AND/OR CAPITAL APPRECIATION BONDS AND/OR CONVERTIBLE CAPITAL APPRECIATION BONDS THAT ALLOW FOR THE COMPOUNDING OF INTEREST, AND CERTAIN OTHER ACTIONS.

RECITALS:

WHEREAS, a duly called bond election was held in the Grant Joint Union High School District (which is a component district of the Twin Rivers Unified School District and which is hereinafter referred to as the “High School District”), on June 6, 2006 (the “2006 Election”) and thereafter canvassed pursuant to law; and

WHEREAS, at the 2006 Election there was submitted to and approved by the requisite 55% vote of the qualified electors of the High School District a measure (the “Bond Measure”) as to the issuance and sale of general obligation bonds of the High School District for various purposes as set forth in the ballot submitted to the voters, in the maximum principal amount of \$230,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the High School District; and

WHEREAS, the High School District previously issued an aggregate principal amount of \$55,000,000 of the High School District’s General Obligations Bonds, Election of 2006, Series 2006 and \$33,998,990.85 of the High School District’s General Obligations Bonds, Election of 2006, Series 2008; and

WHEREAS, the High School District has previously caused to be executed and delivered \$133,000,000 of the High School District’s Certificates of Participation (2007 School Facility Bridge Funding Program) (the “2007 Certificates”) in order to provide interim financing for certain public capital improvements described in the project list approved by the Bond Measure; and

WHEREAS, on July 1, 2008, the Twin Rivers Unified School District (the “District”) was formed through the consolidation of the High School District with three of the five elementary school districts within the High School District; and

WHEREAS, pursuant to Section 35573 of the California Education Code (the “Education Code”), the District has assumed all outstanding obligations of the High School District; and

WHEREAS, the District has previously caused to be executed and delivered \$38,999,241.55 of the District's General Obligation Bonds, Election of 2006, Series 2014A authorized by the Bond Measure; and

WHEREAS, \$102,001,767.60 of general obligation bonds of the High School District authorized by the Bond Measure remain unissued (the "Unissued Bonds"); and

WHEREAS, at the time of execution and delivery of the 2007 Certificates, the High School District intended to retire the 2007 Certificates with proceeds of the Unissued Bonds; and

WHEREAS, at this time, this Board of Trustees (the "Board") has determined that it is necessary and desirable to issue Twin Rivers Unified School District (Sacramento County and Placer County, California) General Obligation Bonds, Election of 2006, Series 2016, in an aggregate principal amount not to exceed \$70,000,000 (the "Series 2016 Bonds"), in order to refund a portion of the 2007 Certificates (the 2007 Certificates being refunded by the Series 2016 Bonds hereinafter referred to as the "Refunded Certificates") as well as to pay costs related thereto; and

WHEREAS, in the resolution calling the Election for the Bond Measure, the Board of the High School District determined that the bonds may be issued in multiple series by the High School District from time to time; and

WHEREAS, the Board is authorized to provide for the issuance and sale of the Series 2016 Bonds under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"); and

WHEREAS, the Board desires to authorize the issuance of the Series 2016 Bonds as any combination of Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, to be issued as Tax-Exempt Bonds or Taxable Bonds (as such terms are defined herein);

WHEREAS, it will be necessary for the Board to appoint certain professionals to provide services related to the issuance of the Series 2016 Bonds and to incur costs and expenses for the issuance and sale of the Series 2016 Bonds; and

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2016 Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Preliminary Official Statement"); and

WHEREAS, it is expected that a portion of the Series 2016 Bonds will be issued as capital appreciation bonds (which may include convertible capital appreciation bonds), and as such, as required by Government Code Section 53508.5 and Education Code Section 15146(b)(2), this Resolution was publicly noticed as an information item on the agenda for the September 13, 2016 meeting of the Board, and the Board was presented with the following items, all as more particularly set forth in Exhibit A, attached hereto and made a part hereof:

- An analysis containing the total overall cost of the Series 2016 Bonds that allow for the compounding of interest,
- A comparison to the overall cost of issuing only current interest bonds,
- The reasons that capital appreciation bonds which provide for the compounding of interest are being recommended, and
- A copy of the disclosure made by the Underwriter (as defined herein) in compliance with Municipal Securities Rulemaking Board Rule G-17; and

WHEREAS, Section 15140(b) of the Education Code provides that the board of supervisors of a county may authorize a school district over which the county superintendent of schools has jurisdiction to issue and sell its own bonds without further action of the board of supervisors or officers of the county if said school district has not received a qualified or negative certification in its most recent interim report; and

WHEREAS, the District has not filed with nor received from the Sacramento County Office of Education having jurisdiction over the District a qualified or negative certification in its most recent interim financial report pursuant to Section 42131 of the Education Code; and

WHEREAS, there have been submitted and are on file with the Secretary of this Board proposed forms of a Purchase Contract; a Paying Agent Agreement, providing for the terms of issuance and repayment of the Series 2016 Bonds; an Escrow Agreement related to the prepayment of the Refunded Certificates; and a Continuing Disclosure Certificate (each as defined herein); and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TWIN RIVERS UNIFIED SCHOOL DISTRICT, AS FOLLOWS:

**Section 1. Purpose of the Series 2016 Bonds.** The Board authorizes the issuance of the Series 2016 Bonds as Taxable Bonds or Tax-Exempt Bonds, as any combination of Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, which shall be issued for the purpose of providing funds to pay and redeem the Refunded Certificates, and to pay all necessary legal, financial, and contingent costs incurred in connection with the issuance, sale and delivery of the Series 2016 Bonds, all as more fully set forth in the hereinafter defined Purchase Contract. The Series 2016 Bonds shall be issued by the District under and subject to the terms of this Resolution, the Paying Agent Agreement, and the Act, and shall be designated as the “Twin Rivers Unified School District (County of Sacramento and County of Placer, California) General Obligation Bonds, Election of 2006, Series 2016” (referred to herein as the “Series 2016 Bonds”), with such other designations thereto as the Superintendent or the

Deputy Superintendent, Administrative Services of the District (each an “Authorized Officer”) may designate, and shall be in the aggregate principal amount of not to exceed \$70,000,000.

**Section 2. Execution of Series 2016 Bonds.** The Series 2016 Bonds shall be signed by the President of the Board of the District, or a designee thereof, and the Secretary of such Board, or a designee thereof, by their manual or facsimile signatures each in their official capacities. Notwithstanding the foregoing, if the Series 2016 Bonds are determined to be required to be issued by the County on behalf of the District pursuant to Section 18(c) hereof, then the Series 2016 Bonds shall be signed by the duly authorized officials of the County. No Series 2016 Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Series 2016 Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Series 2016 Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

**Section 3. Terms and Conditions of Sale.** The Series 2016 Bonds shall be sold pursuant to a negotiated sale pursuant to the terms and conditions set forth in the Purchase Contract (as defined herein). The Board hereby authorizes the sale of the Series 2016 Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Series 2016 Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriter (as defined herein) to pre-market the Series 2016 Bonds to potential purchasers prior to the sale, all of which will contribute to the District’s goal of achieving the lowest overall cost of funds.

**Section 4. Approval of Purchase Contract.** The form of Contract of Purchase (the “Purchase Contract”) for the purchase and sale of the Series 2016 Bonds, by and between the District and Stifel, Nicolaus & Company, Incorporated, and Morgan Stanley & Co. LLC (together, the “Underwriter”), substantially in the form on file with the Secretary of the Board, is hereby approved and each Authorized Officer is hereby individually authorized and requested to execute and deliver such Purchase Contract, but with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing such Purchase Contract may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

**Section 5. Certain Definitions.** As used in this Resolution, unless otherwise set forth below or otherwise defined elsewhere herein, the terms set forth herein shall have the meanings ascribed to them.

“*Act*” means Section 53550 *et seq.* of the California Government Code.

“*Bond Insurer*” means any insurance company which issues a municipal bond insurance policy insuring the payment of principal, maturity value, accreted value and conversion value of and interest or accretion on all or any portion of the Series 2016 Bonds.

“*Capital Appreciation Bonds*” means the Series 2016 Bonds the interest component of which is compounded semiannually on the dates provided in the Purchase Contract to maturity

as shown in the table of accreted values for such Series 2016 Bonds in the Official Statement or Purchase Contract, as the case may be.

“*Conversion Date*” means, with respect to Convertible Capital Appreciation Bonds, the date from which such Bonds bear interest on a current, periodic basis.

“*Conversion Value*” means, with respect to Convertible Capital Appreciation Bonds, the accreted value as of the Conversion Date.

“*Convertible Capital Appreciation Bonds*” means the Series 2016 Bonds the interest component of which is compounded semiannually to the respective Conversion Dates thereof as shown in the table of accreted values for the Series 2016 Bonds in the Official Statement or Purchase Contract, as the case may be, and which bear interest from such respective Conversion Dates on the Conversion Value thereof, payable semiannually on each interest payment date.

“*County*” means the County of Sacramento, California.

“*County Director of Finance*” means the County of Sacramento Director of Finance.

“*Current Interest Bonds*” means the Series 2016 Bonds the interest on which is payable semiannually on the dates specified for each such Series 2016 Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

“*Escrow Agent*” means U.S. Bank National Association.

“*Escrow Agreement*” means the Escrow Agreement governing the deposit of funds to refund the Refunded Certificates, by and between the District and the Escrow Agent.

“*Paying Agent*” means U.S. Bank National Association.

“*Paying Agent Agreement*” means the Paying Agent Agreement related to the Series 2016 Bonds by and between the District and the Paying Agent.

“*Taxable Bonds*” means the Series 2016 Bonds not issued as Tax-Exempt Bonds.

“*Tax-Exempt Bonds*” means any Series 2016 Bonds the interest in which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of bond counsel supplied to the original purchasers of such Series 2016 Bonds.

**Section 6. Terms of the Series 2016 Bonds.** The maximum nominal annual interest rate on the Series 2016 Bonds shall be 8%, payable as described in the Paying Agent Agreement applicable to the Series 2016 Bonds. The Series 2016 Bonds shall mature on a date or dates, in such of the years, beginning no earlier than August 1, 2017 and concluding no later than 27 years from the date of issuance of the Series 2016 Bonds that are Current Interest Bonds and no later than 25 years from the date of issuance of the Series 2016 Bonds that are Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, as shall be specified in the Purchase Contract. The Underwriter’s discount, excluding original issue discount therein, shall not exceed

0.34% of the aggregate of principal amount of the Series 2016 Bonds being sold pursuant to the provisions of the Purchase Contract. The Board estimates that the costs associated with the issuance of the Series 2016 Bonds, excluding compensation to the Underwriter and fees of the Bond Insurer, if any, will be approximately \$150,000 of the principal amount of the Series 2016 Bonds; the Series 2016 Bonds may be sold at a discount not to exceed five percent of the aggregate principal amount of the Series 2016 Bonds and the ratio of total debt service to the original aggregate principal amount issued for the Series 2016 Bonds shall not exceed four to one.

The Series 2016 Bonds shall be issued as a combination of Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds. As required by Education Code Section 15146(b)(1)(E), attached hereto as Exhibit A are disclosures relating to the estimated financing term and time of maturity, repayment ratio, and the estimated change in the assessed value of taxable property within the District over the term of the Series 2016 Bonds. In addition, as required by Education Code Section 15146(c), the Board has been presented with all of the following (such information being attached hereto as Exhibit A): (1) an analysis containing the estimated total overall cost of the Capital Appreciation Bonds and/or Convertible Capital Appreciation Bonds; (2) a comparison to the estimated overall cost of Current Interest Bonds; (3) the reason Capital Appreciation Bonds and/or Convertible Capital Appreciation Bonds are being recommended; and (4) a copy of the disclosure made by the Underwriter in compliance with Rule G-17 adopted by the federal Municipal Securities Rulemaking Board. As required by Education Code Section 15146(d), after the sale of the Series 2016 Bonds, the Board shall present the actual cost information for the sale of the Series 2016 Bonds at its next scheduled public meeting and shall submit, through an Authorized Officer, an itemized summary of the costs of the sale of the Series 2016 Bonds to the California Debt and Investment Advisory Commission.

The aggregate principal amount of the Series 2016 Bonds, the date thereof, the maturity dates, principal amounts, maturity value, accreted value and conversion value, annual rates of interest or accretion of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, shall be as specified in the Purchase Contract and the Paying Agent Agreement. Notwithstanding the foregoing, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds maturing more than ten years after the date of issuance thereof shall be subject to optional redemption before its fixed maturity date, with or without premium, at any time, or from time to time, at the option of the District, beginning no later than the 10<sup>th</sup> anniversary of the date such Series 2016 Bonds were issued.

**Section 7. Paying Agent Agreement.** The Board does hereby appoint U.S. Bank National Association to act as the Paying Agent for the Series 2016 Bonds. This Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Series 2016 Bonds may be paid in each year from *ad valorem* taxes levied and collected for the payment thereof, insofar as permitted by law, including specifically by Section 15232 of the Education Code. The form of the Paying Agent Agreement by and between the Paying Agent and the District, substantially in the form on file with the Secretary of the Board, is hereby approved, and each of the Authorized Officers is hereby authorized and

requested to execute and deliver such Paying Agent Agreement, but with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof. All terms of the Series 2016 Bonds required by the Act and not otherwise specified herein shall be as specified in the Paying Agent Agreement.

**Section 8. Form and Registration of Bonds.** The Series 2016 Bonds shall be substantially in the form set forth in the Paying Agent Agreement, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution and the Paying Agent Agreement.

The Series 2016 Bonds when issued shall be registered in the name of “Cede & Co.,” as nominee of DTC, New York, New York, and shall be initially issued as one bond for each of the maturities of the Series 2016 Bonds, in the Principal Amounts set forth in the Purchase Contract. DTC is hereby appointed depository for the Series 2016 Bonds and registered ownership of the Series 2016 Bonds may not thereafter be transferred except as provided in the Paying Agent Agreement.

**Section 9. Delivery of Bonds.** The proper officials of the District or the County, as applicable, shall cause the Series 2016 Bonds to be prepared and, following their sale, shall have the Series 2016 Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Series 2016 Bonds, to the original purchaser upon payment of the purchase price therefor.

**Section 10. Deposit of Proceeds of Bonds; Escrow Agreement.** U.S. Bank National Association is hereby appointed to act as the escrow agent (the “Escrow Agent”) for the Refunded Certificates. The form of the Escrow Agreement by and between the Escrow Agent and the District, substantially in the form on file with the Secretary of the Board, is hereby approved, and each of the Authorized Officers is hereby authorized and requested to execute and deliver such Escrow Agreement, but with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

The costs of issuance of the Series 2016 Bonds are hereby authorized to be paid from the sale proceeds of the Series 2016 Bonds. An amount, not-to-exceed 2.0% of the initial principal amount of the Series 2016 Bonds, will be deposited in a costs of issuance account to be held by the Paying Agent for such purpose.

The net premium, together with accrued interest, if any, received by the District from the sale of the Series 2016 Bonds, together with any sale proceeds of the Series 2016 Bonds determined by an Authorized Officer to be applied to pay up to one year’s interest (accrued from the date of delivery of the Series 2016 Bonds) on the Series 2016 Bonds issued as Current Interest Bonds, shall be kept separate and apart in the “Twin Rivers Unified School District General Obligation Bonds, Series 2016 Debt Service Fund” (the “Debt Service Fund”) hereby created and established for the Series 2016 Bonds and used only for payments of the principal, maturity value, accreted value and conversion value of and interest or accretion on the Series 2016 Bonds.

The District hereby directs the County Director of Finance to establish, hold and maintain the Debt Service Fund, which will be maintained by the County Director of Finance as a separate fund, distinct from all other funds of the County and the District. All taxes levied by the County and Placer County at the request of the District for the payment of the principal, maturity value, accreted value and conversion value of and interest or accretion on the Series 2016 Bonds will be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy. The District hereby irrevocably pledges the Debt Service Fund for the payment of the principal, maturity value, accreted value and conversion value of and interest or accretion on the Series 2016 Bonds when and as the same become due. The moneys in the Debt Service Fund, to the extent necessary to pay the principal, maturity value, accreted value and conversion value of and interest or accretion on the Series 2016 Bonds as the same become due and payable, shall be transferred by the County Director of Finance to the Paying Agent at least one Business Day prior to the due date thereof, and the Paying Agent will transfer such amount to DTC to pay the principal, maturity value, accreted value and conversion value of and interest or accretion on such Series 2016 Bonds.

Subject to federal tax restrictions, moneys in the Debt Service Fund shall be invested in accordance with the requirements of the Paying Agent Agreement.

Except as required below to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest earned on the investment of moneys held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay principal, maturity value, accreted value and conversion value of and interest or accretion on, the Series 2016 Bonds when due.

To the extent required by the terms of the tax certificate executed by the District in connection with the issuance of the Series 2016 Bonds, the District hereby agrees to create a "Twin Rivers Unified School District General Obligation Bonds, Series 2016 Rebate Fund" (the "Rebate Fund") for the Series 2016 Bonds. Investment earnings on moneys in the Debt Service Fund and certain other amounts shall from time to time be paid into the Rebate Fund as required to enable the District to comply with the requirements of Section 148(f) of the Code. Any money remaining in the Rebate Fund after the payment in full of the Series 2016 Bonds related thereto, either at maturity or earlier redemption, and the payment to the United States Treasury of any amounts required pursuant to Section 148(f) of the Code, and any regulations thereunder shall be transferred to the general fund of the District.

The remaining net proceeds from the sale of the Series 2016 Bonds shall be transferred to the Escrow Agent for deposit in the Escrow Fund established under the Escrow Agreement, which amount is necessary to either remain uninvested or to purchase the Defeasance Securities (as such term is defined in the trust agreement relating to the Refunded Certificates) needed to refund the Refunded Certificates, all as set forth in a certificate of a District official.

## **Section 11. Tax Covenants.**

(a) ***Private Activity Bond Limitation.*** The District shall assure that the proceeds of the Series 2016 Bonds are not so used as to cause the Series 2016 Bonds to



satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) ***Federal Guarantee Prohibition.*** The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series 2016 Bonds be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(c) ***No Arbitrage.*** The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Series 2016 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2016 Bonds would have caused the Series 2016 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(d) ***Maintenance of Tax Exemption.*** The District shall take all actions necessary to assure the exclusion of interest on the Series 2016 Bonds from the gross income of the owners of the Series 2016 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of delivery of such Series 2016 Bonds.

**Section 12. Tax-Exempt Bonds or Taxable Bonds.** This Board hereby authorizes the Series 2016 Bonds to be issued as Tax-Exempt Bonds or Taxable Bonds, as determined by an Authorized Officer in consultation with bond counsel for the Series 2016 Bonds. If Series 2016 Bonds are issued as Taxable Bonds, the tax covenants set forth in Section 11 herein shall be inapplicable to such Taxable Bonds.

**Section 13. Conditions Precedent; Findings.** This Board determines that all acts and conditions necessary to be prepared by the Board or to have been met precedent to and in the issuing of the Series 2016 Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series 2016 Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit of the District are pledged for the timely payment of the principal, maturity value, accreted value and conversion value of and interest or accretion on the Series 2016 Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series 2016 Bonds.

The Series 2016 Bonds are general obligations of the District payable from the levy of *ad valorem* taxes upon all property within the District subject to taxation by the District for the payment of the Series 2016 Bonds, without limitation as to rate or amount, for the payment of the Series 2016 Bonds and the interest or accretion thereon. The District hereby directs the County and Placer County to levy on all the taxable property in the District subject to taxation by the District for the payment of the Series 2016 Bonds, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the Series 2016 Bonds are outstanding in an amount sufficient to pay the principal, maturity value, accreted value and conversion value of and interest or accretion on the Series 2016 Bonds when due, which moneys when collected shall be placed in the Debt Service Fund as set forth in Section 10.

The foregoing Debt Service Fund and *ad valorem* tax revenues are irrevocably pledged, and the District hereby grants a lien and security interest therein, for the payment of the principal, maturity value, accreted value, conversion value, redemption premium, if any, and interest or accretion on the Series 2016 Bonds when and as the same fall due. The moneys in the Debt Service Fund, to the extent necessary to pay the principal, maturity value, accreted value, conversion value, redemption premium, if any, and interest or accretion on the Series 2016 Bonds as the same become due and payable, shall be transferred by the County or the District, as the case may be, to the Paying Agent, as paying agent for the Series 2016 Bonds, as necessary to pay the principal, maturity value, accreted value, conversion value, redemption premium, if any, and interest or accretion on the Series 2016 Bonds. The property taxes and amounts held in the Debt Service Fund of the District shall immediately be subject to this pledge, and the pledge shall constitute a lien and security interest which shall be effective, binding, and enforceable against the District, its successors, creditors and all other irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The pledge is an agreement between the District and the owners of the Series 2016 Bonds in addition to any statutory lien that may exist, and the Series 2016 Bonds will be issued to finance or refinance one or more projects authorized by the Bond Measure and not to finance the general purposes of the District.

Additionally, in accordance with Section 15251(b) of the Education Code and Section 53515(a) of the Government Code, the Series 2016 Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the Series 2016 Bonds. The lien shall automatically attach without further action or authorization by the District or the County. The lien shall be valid and binding from the time the Series 2016 Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the tax shall be immediately subject to the lien, and the lien shall automatically attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

The principal, maturity value, accreted value and conversion value of and interest or accretion on the Series 2016 Bonds do not constitute a debt of the County, Placer County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof, and neither the County, Placer County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof shall be liable thereon. In no event are the principal, maturity value accreted value and conversion value of and interest or accretion on the Series 2016 Bonds payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District subject to taxation by the District for the payment of the Series 2016 Bonds.

**Section 14. Preliminary Official Statement.** The Preliminary Official Statement, substantially in the form on file with the Secretary of the Board and made a part hereof as though set forth in full herein, with such changes, insertions and omissions therein as may be required or approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Series 2016 Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized, and any one of the Authorized Officers is hereby directed, to certify on behalf of the District that the information

contained in the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12) (the “Rule”).

**Section 15. Official Statement.** The preparation and delivery of a final Official Statement (the “Official Statement”), and its use in connection with the offering and sale of the Series 2016 Bonds, is hereby authorized and approved. The Official Statement shall be substantially in the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be required or approved by an Authorized Officer, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, to execute the final Official Statement, and any amendment or supplement thereto, for and in the name of the District.

**Section 16. Bond Insurance.** Each Authorized Officer is hereby individually authorized to purchase a municipal bond insurance policy on behalf of the District to guarantee the payment of principal, maturity value, accreted value and conversion value of and interest or accretion on all or a portion of the Series 2016 Bonds when due, if he or she determines that it is in the best interests of the District to do so. In the event the District purchases bond insurance for any portion of the Series 2016 Bonds, and to the extent that the Bond Insurer makes payment of the principal, maturity value, accreted value and conversion value of and interest or accretion on any of such Series 2016 Bonds, the Bond Insurer shall become the owner of such Series 2016 Bonds with the right to payment of principal, maturity value, accreted value, conversion value, interest or accretion on such Series 2016 Bonds, and shall be fully subrogated to all of the owners’ rights, including the owners’ rights to payment thereof. To evidence such subrogation (a) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer’s rights as subrogee on the registration books for such Series 2016 Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest or accretion to the owners of such Series 2016 Bonds; and (b) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for such Series 2016 Bonds maintained by the Paying Agent upon surrender of such Series 2016 Bonds by the owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**Section 17. Defeasance.** All or any portion of the outstanding maturities of the Series 2016 Bonds may be defeased prior to maturity in the manner set forth in the Paying Agent Agreement.

**Section 18. Other Actions, Determinations and Approvals.**

(a) Officers of the Board and District officials and personnel are hereby authorized and directed, jointly and severally, to do any and all things, and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Series 2016 Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution, including the preparation of other bond financing related documents as may be necessary or desirable. All such

actions heretofore taken by such officers, officials and personnel are hereby ratified, confirmed and approved.

(b) The Board hereby appoints Stifel, Nicolaus & Company, Incorporated, and Morgan Stanley & Co. LLC, as Underwriter, Government Financial Strategies inc., as financial advisor, and Kutak Rock LLP, as bond counsel and as disclosure counsel, with respect to the issuance of the Series 2016 Bonds. The costs of sale of the Series 2016 Bonds, which include an Underwriter's discount or fee, bond counsel fees, disclosure counsel fees, financial advisor fees and expenses, fees and expenses of the Escrow Agent and Paying Agent, printing fees, rating agency charges and related fees and costs, are estimated to be no more than 0.75% of the principal amount of the Series 2016 Bonds. Such estimate does not include the cost of any bond insurance premium for any municipal bond insurance policy obtained with respect to the Series 2016 Bonds pursuant to Section 16 hereof.

(c) If the District's bond counsel determines that the sale of the Series 2016 Bonds is required to be made by the County, the Board hereby authorizes and directs the officers of the Board and the District officials and personnel, jointly and severally, to do any and all things to request the County Board of Supervisors to issue the Series 2016 Bonds in the name of and on behalf of the District

(d) The provisions of this Resolution as they relate to the terms of the Series 2016 Bonds may be amended by the Paying Agent Agreement or the Purchase Contract, as the case may be.

**Section 19. Resolution to County Director of Finance and Placer County Treasurer-Tax Collector.** The Secretary of this Board is hereby directed to provide a certified copy of this Resolution to the County Director of Finance and to the Treasurer-Tax Collector and Auditor-Controller of the County of Placer immediately following its adoption.

**Section 20. Continuing Disclosure.** The Board does hereby covenant and agree, for the benefit of the holders and Beneficial Owners of the Series 2016 Bonds, that the District will comply with the provisions of the Rule relating to secondary market and continuing disclosure. Failure of the District to comply with such provisions shall not be considered an event of default with respect to the Series 2016 Bonds; however, any holder or Beneficial Owner of the Series 2016 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this provision. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2016 Bonds (including persons holding Series 2016 Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Series 2016 Bonds for federal income tax purposes.

The Board does hereby authorize each Authorized Officer to individually execute and deliver by and on behalf of the District, for the benefit of the holders and Beneficial Owners of the Series 2016 Bonds and in order to assist the Underwriter for the Series 2016 Bonds to comply with paragraph (b)(5) of the Rule, a Continuing Disclosure Certificate or Undertaking for

the Series 2016 Bonds (as it may be amended from time to time in accordance with the terms thereof, the “Continuing Disclosure Certificate”) in form and substance substantially similar to that on file with the Secretary of the Board, with such changes as the Authorized Officer executing it shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

The Board shall at all times do and perform all other acts and things necessary or desirable and within its power to assure compliance with the above-referenced provisions of the Rule.

**Section 21. Ratification of Actions.** All actions heretofore taken by the officers and agents of the District with respect to the sale, execution and delivery of the Series 2016 Bonds, the acquisition of escrow securities, and the other transactions authorized and contemplated herein, are hereby approved, confirmed and ratified.

**Section 22. Indemnification.** The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees (“Indemnified Parties”), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the Series 2016 Bonds, except with respect to such actions which said Indemnified Parties are exclusively authorized and required to perform on behalf of the District pursuant to law. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

**Section 23. Repealor.** All resolutions, or parts thereof, in conflict with this Resolution, are hereby repealed. After the Series 2016 Bonds have been issued, this Resolution shall be and remain irrepealable until the Series 2016 Bonds and the interest or accretion thereon shall be fully paid, satisfied and discharged in the manner herein provided, or sufficient provision shall have been made for such payment, satisfaction and discharge.

**Section 24. Recitals.** All recitals in this Resolution set forth above are true and correct and this Board so finds, determines and represents.

**Section 25. Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 27th day of September, 2016, by the Board of Trustees of the Twin Rivers Unified School District by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Secretary, Board of Trustees,  
Twin Rivers Unified School District

**EXHIBIT A**

**DISCLOSURE REQUIRED BY CALIFORNIA EDUCATION  
CODE SECTIONS 15146(b)(1)(E) AND 15146(c)**

[Attached]